MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

(TRIMESTER 3, 2016/2017)

UTS2612 – INTERNATIONAL TRADE AND SHIPPING LAW

(All Sections / Groups)

02nd JUNE 2017
Reading Time : 9.00am- 9.15am
(15 Minutes)
Answering Time : 9.15am-12.15pm
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 Questions only.

3. Attempt **FOUR** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.

4. Students are allowed to bring into Examination Hall CLEAN and ORIGINAL copy of:
   i. Merchant Shipping Ordinance 1952
   ii. Carriage of Goods by Sea Act 1950
   iii. Sale of Goods Act 1957
   iv. Reciprocal Enforcement of Judgments Act 1958
   v. United Nations Convention on Contracts for the International Sale of Goods (CISG)

   Students are not allowed to lend or borrow statute(s) during the Examination.

5. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Benson Smith is the Chief Executive Officer of BigBen Intergrated Shipping Ltd. (hereinafter refers as "BigBen"). BigBen is a leading carrier in the global container shipping industry in Europe . BigBen is a company incorporated under the laws of United Kingdom. Benson Smith and the board of directors of BigBen is considering to register one of its fleets as a Malaysian ship in order for them to commence a joint venture business in Malaysia.

Advise Benson Smith and the board of directors of BigBen on the process to register one of BigBen's fleet as a Malaysian ship under the Merchant Shipping Ordinance 1952.

(25 marks)

QUESTION 2

Shipyard Co., a company incorporated under the laws of United Kingdom contract to build an oil-tanker for RonOil Berhad, a company incorporated under the laws of Malaysia. Their contract stipulated that in case of any dispute the parties are to litigate the matter in the high courts of Hong Kong. After the contract was completed and Shipyard Co had begun construction, the global economy experienced a recession and RonOil Berhad unable to secure oil transportation contracts from other oil companies filed for winding-up. As such, RonOil Berhad cancelled the shipbuilding contract with Shipyard Co. Shipyard Co then sued RonOil Berhad in Hong Kong according to the provisions of the contract. The High Court judge in Hong Kong rendered $50 million judgment in favour of Shipyard Co. Due to RonOil Berhad's winding-up proceeding, RonOil Berhad no longer has any assets in Malaysia. However, based on the creditor's inventory list RonOil Berhad still has a bank account in Malaysian bank worth $20 million Ringgit and an office building in Petaling Jaya worth $10 million Ringgit. Shipyard Co has retained you as its Malaysian Counsel.

Advise Shipyard Co., on how it can, if possible enforce the Hong Kong Judgment in Malaysia.

(25 marks)

Continued...

QUESTION 3

i) Explain what is a bill of lading and its characteristics.

(10 marks)

ii) Sabidin in Indonesia sells 7,000 bales of *batik* cotton to Jesse in Australia. Sabidin transport the *batik* cotton to the Indonesian harbor and to the ship designated by Jesse, the SS 1 GIANT LEAP. Due to an oversight in the calculation, only 6,500 bales were loaded. This ship's bill of lading, however, shows a quantity of 7,000 bales. Sabidin then signs over the bill of lading to Jesse in exchange of payment in full for the *batik* cotton. When SS 1 GIANT LEAP arrives in Fremantle, Australia, the quantity error was discovered and Jesse sues the ship for the lost value of the missing bales.

Advise on the liability of parties.

(15 marks)

(Total: 25 marks)

QUESTION 4

"In international trade, the problem is made complicated by the fact that the transaction might be found in a lengthy exchange of standard conditions between the parties – the battle of the forms, as some term it. Identifying exactly what was agreed and when it was agreed is a serious problems for lawyers." J.C.T. Chuah, *Law of International Trade*, (3rd ed., Sweet & Maxwell 2005) 5.

Based on the above statement, discuss the requirements for an agreement to be legally binding under the international trade law.

(25 marks)

Continued...

QUESTION 5

Define the different types of charterparty and the duties and responsibilities of a shipowner and charterer under charterparties.

(25 marks)

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